

**UNITED STATES TRUSTEE FINANCIAL REQUIREMENTS CHECKLIST,
CERTIFICATIONS AND DECLARATIONS**

CASE NAME: CANAAN RESOURCES, LLC

DATE: DECEMBER 2, 2020

CASE #: 20-13664-JDL

THE ORIGINAL OF THIS CHECKLIST MUST BE SUBMITTED BEFORE THE INITIAL DEBTOR INTERVIEW. Debtor must attach each of the following documents or a satisfactory explanation for failure to attach a document.

| Document Attached | Formerly Subm'd | Explanation Attached | |
|----------------------|--------------------|-------------------------|---|
| ---X--- | ----- | ----- | 1. Receipt and Certification of Understanding "Operating Guidelines and Reporting Requirements" (Attachment A). |
| --X---- | ----- | ----- | 2. Completed "Information for Initial Debtor Interview" (Attachment B). |
| ---X--- | ----- | ----- | 3. Completed "Declaration of Pre-Petition Account Closings and Opening of Debtor In Possession Bank Accounts" (Attachment C). |
| --X---- | ----- | ----- | 4. Limited Waiver. |
| --X---- | ----- | ----- | 5. Signed Certification of Receipt of Notice - Disclosure under Debt Collection Improvements Act of 1996. |
| --X---- | ----- | ----- | 6. Copies of filed Federal Income Tax and Personal Property Tax returns for the two (2) years prior with all schedules and attachments. |
| --X---- | ----- | ----- | 7. Copies of most recent audited and unaudited Financial Statements. |
| --X---- | ----- | ----- | 8. Balance Sheet as of month-end immediately preceding filing. |
| --X---- | ----- | ----- | 9. Profit and Loss Statement for month immediately preceding filing. |
| --X---- | ----- | ----- | 10. Proof of Insurance Coverage - General Liability, Property, Fire & Theft, Workers' Compensation, Vehicle, Other. |
| -X----- | ----- | ----- | 11. Projected cash budget for first 6 months of post petition operations. |
| --X---- | ----- | ----- | 12. Detailed listing of Accounts Receivable and an Accounts Receivable Aging Report. |

**UNITED STATES TRUSTEE FINANCIAL REQUIREMENTS CHECKLIST,
CERTIFICATIONS, AND DECLARATIONS**

- X----- 13. List of all checks written and other disbursements on all accounts
90 days prior to filing petition.
- X----- 14. Report of Physical Inventory.
- 15. Current rent roll, if debtor has tenant-occupied property.
- 16. Copies of current business licenses and performance bonds, if
required.
- 17. Details on Pension, Welfare/Health Plans, (i.e., type of plans
maintained, fully or self-insured, administrators, who makes
contributions, who maintains assets of the plans).
- 18. Resume, job title, duties and responsibilities, salary/benefit
package details for the twelve months prior to filing and the
anticipated salary/benefit package for each owner and/or officer.
- 19. For Small Business cases a copy of business plan.

**I DECLARE UNDER PENALTY OF PERJURY THAT THE UNITED STATES TRUSTEE
FINANCIAL REQUIREMENTS CHECKLIST, CERTIFICATIONS, AND ANY
ATTACHMENTS THERETO, ARE TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF.**

Debtor: _____
John Penton, Mgr of Canaan Nat. Gas Mgt, LLC, Mgr of Canaan
Resources LLC
Date: December 2, 2020

Filed by:

/s/ Stephen J. Moriarty
Stephen J. Moriarty, OBA No. 6410
FELLERS, SNIDER, BLANKENSHIP,
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ATTACHMENT A

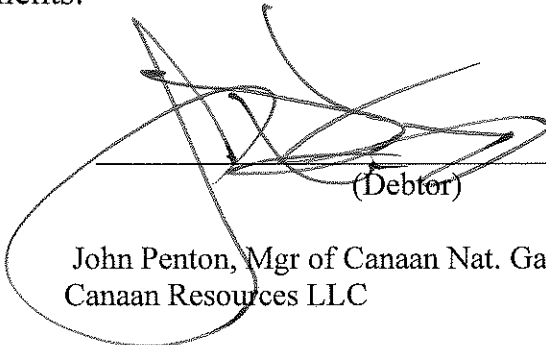
**RECEIPT AND CERTIFICATION OF UNDERSTANDING
UNITED STATES TRUSTEE
OPERATING GUIDELINES AND REPORTING REQUIREMENTS**

CASE NAME: CANAAN RESOURCES, LLC

CASE NUMBER: 20-13664-JDL

I hereby certify that I have read and understand the United States Trustee Chapter 11 "Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees". Further, I hereby agree to perform in accordance with said guidelines and requirements.

12/2/2020
(Date)



(Debtor)
John Penton, Mgr of Canaan Nat. Gas Mgt, LLC, Mgr of
Canaan Resources LLC

The undersigned, as counsel for the debtor, has read and reviewed with the debtor the operating guidelines and reporting requirements discussed above.

12/2/2020
(Date)



(Attorney for Debtor)

ATTACHMENT B**INFORMATION FOR INITIAL DEBTOR INTERVIEW**

Please type or handwrite legibly. Attach additional pages as necessary to provide a complete response.

CASE NAME: CANAAN RESOURCES, LLC

DATE: 12/2/2020

CASE NUMBER: 20-13664-JDL

TYPE OF BUSINESS:

1. Debtor owns and operates oil and gas properties in the State of Oklahoma. Debtor has operated working interest in approximately 279 wells. Debtor has non-operated working interest in approximately 380 wells. These wells are located in Pittsburg, Hughes, McIntosh, Coal, and Atoka Counties, Oklahoma. Debtor employs approximately 16 people.

DATE STARTED/INCORPORATED: 8/26/2005

CORPORATE OFFICERS, PARTNERS, OR SOLE PROPRIETORSHIP:

| | | | |
|---|--|------------|---------------------|
| Canaan Parallel Fund IX Subsidiary, LLC | | 58.814097% | Membership Interest |
| Canaan Natural Gas Fund IX, LP | | 39.075677% | Membership Interest |
| Canaan Natural Gas Parallel B Fund IX, LP | | 2.110226% | Membership Interest |

JOHN PENTON, CEO 628,500.00 REGULAR SALARY AND 401K CONTRIBUTION

RYAN ASKEW, CFO 275,000.00 REGULAR SALARY AND 401K CONTRIBUTION

SPECIFIC CONDITIONS WHICH CAUSED THE CHAPTER 11 PETITION TO BE FILED:

LAWSUIT

DEBTOR'S PROPOSED PLAN OF ACTION:OBTAIN CONFIRMATION OF PLAN AND/OR SALE OF ASSETS PURSUANT TO 11 U.S.C. § 363

FINANCIAL POSITION AS OF FILING DATE: SEE ATTACHED FOR ASSETS AND LIABILITIES

ASSETS

Cash: _____

Inventory: _____

Accounts receivable (total): _____ Amount Uncollectible: _____

Furniture & Fixtures: _____

Equipment: _____

Vehicles: _____

Real estate:

| <u>Location/Description</u> | <u>Value</u> | <u>Debt</u> | <u>Lien Holder</u> |
|-----------------------------|--------------|-------------|--------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

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ATTACHMENT B

INFORMATION FOR INITIAL DEBTOR INTERVIEW

Accounts/Notes receivable from officers: _____
Other Significant Assets: _____

LIABILITIES

Unsecured/Trade Accounts Payable: _____

Taxes:

| <u>Taxing Authority</u> | <u>Amount</u> |
|-------------------------|---------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Wages Owed: _____ Number of Claims: _____
Rent Owed: _____ Months in Arrears: _____

Accounts or Notes Payable to Officers: _____
Post Petition Litigation (List Cases): _____

Secured Debts: (Do not repeat obligations listed under real estate)

| <u>Secured Party</u> | <u>Date of Transaction</u> | <u>Amount</u> | <u>Collateral</u> |
|----------------------|----------------------------|---------------|-------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

LIST ALL PERSONS AUTHORIZED TO USE DEBIT OR CHARGE CARDS.

HAS APPLICATION FOR EMPLOYMENT OF DEBTOR'S COUNSEL BEEN FILED WITH THE COURT?
YES X No _____

HAS APPLICATION FOR EMPLOYMENT OF DEBTOR'S ACCOUNTANT BEEN FILED WITH THE COURT?
YES _____ No X _____

ATTACHMENT C

**DECLARATION OF PRE-PETITION ACCOUNT CLOSINGS
AND OPENING OF DEBTOR IN POSSESSION BANK ACCOUNTS**

CASE NAME: CANAAN RESOURCES, LLC

CASE NUMBER: 20-13664-JDL

All pre-petition bank accounts of CANAAN RESOURCES, LLC, as listed
(Debtor)
below, were closed on _____:
(Date)

| <u>Depository Name</u> | <u>Account Name</u> | <u>Account Number</u> |
|-------------------------------|----------------------------|------------------------------|
| JP Morgan | Operating Account | XXXX8112 |
| JP Morgan | Revenue Account | XXXX8310 |
| JP Morgan | BIA Collateral Acct | XXXX0037 |

On _____, all monies were transferred to the following chapter
(Date)
11 debtor in possession bank accounts:

| <u>Depository Name</u> | <u>Account Name</u> | <u>Account Number</u> |
|-------------------------------|----------------------------|------------------------------|
|-------------------------------|----------------------------|------------------------------|

Attach proof that prepetition accounts have been closed and Debtor In Possession accounts opened. **DEBTOR HAS FILED A CASH MANAGEMENT MOTION SEEKING PERMISSION TO RETAIN AND MAINTAIN ITS EXISTING BANK ACCOUNTS. JP MORGAN CHASE IS AN AUTHORIZED DEPOSITORY.**

The average post-petition monthly disbursements are estimated to be \$ 300,000.00 each month.

PURSUANT TO 28 U.S.C. SECTION 1746, I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed on: 12/2/2020
(Date)



CANAAN RESOURCES, LLC

John Penton, Mgr of Canaan Nat. Gas
Mgt, LLC, Mgr of Canaan Resources
LLC

* Attach additional sheets if necessary.